



Commissioners
Brian Sheldon – Gwen Brake – Glenn Ripley

January 23, 2015

Meeting Date:

January 26, 2014

Agenda Item:

6D – WAWSD 2015 Legislative Agenda

Submitted By

Bill Neal

Recommended Action:

Informational – Report

Summary:

The Washington Association of Sewer and Water Districts (WASWD) has published its Legislative Agenda. I have attached the Agenda to this report.

Please Note:

Omnibus Bill now has a number: [HB 1197](#) Sponsors: Takko, Kochmar

Sale of Real Property (Current): A board may sell district property at a public or private sale if it: (1) determines that the property is not and will not be needed for district purposes; and (2) provides notice of the sale in accordance with specific requirements, including the estimated value of the property or, if an appraisal has been made, the property's appraised value. The authority to engage in the private sale of real property is limited to property with an estimated value of \$5,000 or less. In conducting such a sale, the board may, as it deems appropriate, determine the estimated value based upon the advice of real estate brokers and appraisers.

If the estimated value of the property to be sold exceeds \$5,000, the value must be established by a written broker price opinion from three licensed and disinterested real estate brokers, or by a professionally designated real estate appraiser. A signed broker price opinion or

appraisal must be filed with the secretary of the board and available to open public inspection.

With limited exceptions, district property may not be sold for less than 90 percent of its value. However, if after 120 days of offering the property for sale it cannot be sold at 90 percent or more of its estimated or appraised value, the board may adopt a resolution stating that the district has been unable to sell the property at the 90 percent amount. The district may then, subject to public notice requirements and right of refusal authorizations, sell the property at the highest price it can obtain at public auction. The applicable notice must, among other requirements, describe the property, state the time and place at which it will be offered for sale, and state the terms of sale.

Summary of Bill (Proposed): Provisions governing the sale of real property by districts are modified. The estimated value of all property to be sold by the district must be determined by the board, and based on a written appraisal report by a state-licensed or state-certified real estate appraiser, or a written broker's price opinion. The appraisal report or broker's price report must have been prepared less than six months before the date of sale. Provisions that apply to notices of and for district intentions to sell real property are modified to specify that the notices must also refer to the appraisal report or the broker's price opinion, as applicable.

If no purchaser can be found for real property within 120 days of publication of the initial notice of intention to sell, the board may adopt a resolution stating that the district has been unable to sell the real property at 90 percent or more of the estimated value. The district may then, subject to public notice requirements and right of refusal authorizations, sell the property at the highest price it can obtain at public auction. The applicable auction notice, among other requirements, must describe the real property, state the time and place of the public auction and the minimum opening bid, if any, and specify the terms and conditions of sale.

Establishment of Improvement Districts - Authority, Process, and Objections: Pulled from the Bill

Treasurer Duties, Warrants (Current): The applicable county treasurer is the treasurer of the district. However, with the approval of the county treasurer, the board of any district with more than 2,500 water or sewer customers or sewer customers may designate another person to

act as the district treasurer. The district treasurer must have experience in financial or fiscal matters.

All taxes and revenue collected by the district, except those funds received for specified obligations, must be maintained in a maintenance or general fund created and maintained by the district treasurer. Disbursements from the general fund are authorized only by warrants of the county auditor issued with the authority of the board or upon a resolution of the board. The district treasurer must also maintain special funds as prescribed by the district, and similarly, disbursements may occur by warrants of the county auditor.

Summary of Bill (Proposed): The board of a district with an annual operating budget of \$5 million or more in each of the preceding three years is authorized to adopt a policy to issue its own warrants for the payment of claims or other obligations of the district.

Similarly, the board of a district with an annual operating budget greater than \$250,000 and less than \$5 million in each of the preceding three years is authorized to adopt a policy to issue its own warrants for the payment of claims or other district obligations. Prior to adoption of the policy, the district must also obtain an appropriate agreement between the county treasurer and the board.

For both categories of districts, the board may authorize the issuing of one general certificate that permits the county treasurer to pay all warrants specified in the general certificate. The district may then issue the warrants specified in the general certificate. This Bill is being entered by WASWD on behalf of North Beach Water District.

Exempting Title 57 Districts from Lien Recoding Surcharge: Pulled from the Bill.

End of Report



WASWD's 2015 LEGISLATIVE AGENDA

Bills to be Introduced on Behalf of Members:

1. **OMNIBUS BILL**: WASWD will introduce an omnibus housekeeping bill that will include the following topics:
 - a. **Treasurer**: WASWD will reintroduce the provisions of **HB 2170**, which would allow water districts with operating budgets greater than \$5 million to issue their own warrants. Districts with budgets between \$250k & \$5 million would need to obtain permission from the County Treasurer in order to issue warrants (2014 passed house 98-0, died in Senate Rules).
 - b. **Use of Architectural or Engineering Services Contracted by Another Agency**: Attorney General Opinion 2011 No. 2 suggests that an agency may not contract with another agency to use architectural or engineering services procured by the other agency without independently complying with RCW 39.80. This interpretation poses a problem where districts use "piggyback" contracts with cities and counties under the Interlocal Cooperation Act to coordinate water and sewer main relocations on road improvement projects. Construction work may be performed jointly under the ICA if the city or county complies with the competitive bidding requirements. But, it takes design work to create plans and specifications. There is simply no way to do this efficiently unless the engineer doing the road design work also does the main relocation design. A simple amendment to the ICA could fix this potential problem.
 - c. **Surplus Property**: An amendment to RCW 57.08.016, relating to the sale of surplus property, will be proposed to eliminate some ambiguous and inconsistent terms.
 - d. **LID Housekeeping Bill**: RCW 57.16.090 will be amended to make the local improvement district assessment appeal procedure parallel that of cities and PUDs.
 - e. **Exempting Title 57 Districts from Lien Recording Surcharge**: State, county, and city recordings are exempt from the Homeless Housing and Assistance Act recording surcharge. WASWD will propose legislation that would treat district liens and lien satisfactions the same as those entities and would exempt Title 57 districts from the recording surcharge.

As of November 6, 2014



2. **ASSUMPTION LEGISLATION:** WASWD will take a new approach during the upcoming legislative session and will file a bill that would make assumptions subject to referendum. Under this approach, the only assumptions subject to a vote would be in those districts with a substantial number of citizens willing to actively oppose an assumption and obtain petition signatures requiring a vote. The bill would be prospective only, so it would not apply to Ronald Wastewater District.
3. **UTILITY TAX LEGISLATION:** WASWD remains concerned about the implications of the *Wenatchee v. Chelan PUD* case. The Government Relations Committee and Board of Directors will be considering different approaches to dealing with the efforts of cities to impose unlimited utility taxes on districts. WASWD does not have a legislative solution to propose at this time.
4. **PUBLIC RECORDS ACT:** Last session WASWD introduced **HB 2143**, legislation that would have created a Public Records Act (PRA) exemption for GIS information relating to critical infrastructure in water/sewer systems. The bill did not get out of committee. WASWD will not reintroduce the bill unless there is a comprehensive PRA reform bill filled this session. If so, we would seek to have the GIS provisions included.

Continuing Legislative Priority:

WASWD will continue to coordinate with other stakeholders to oppose any further raids of the Public Works Trust Fund and to work to restore funding for critical infrastructure.

Bills to Actively Support and Assist:

Lakewood Water District and the Regional Water Cooperative of Pierce County will again attempt to raise the bid limit statutes for water/sewer districts from \$20,000 to \$90,000 (**HB 2682**). The bill passed the House 81-16, but failed to get out of the Senate. WASWD recommends strong support of this bill.

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